

County of McLean, Illinois

Popular Annual Financial Report

For the Fiscal Year Ended December 31, 2015



Submitted by:
Michelle L. Anderson,
McLean County Auditor

County of McLean, Illinois
POPULAR ANNUAL FINANCIAL REPORT
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December 31, 2015

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**Michelle L. Anderson**

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To the residents of McLean County:

For the fifth consecutive year, I am pleased to present McLean County's Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2015, prepared by the Auditor's Office. This report provides a summary of the County's revenue, spending, and financial condition. The report also includes supplementary information on local economic conditions, major accomplishments by the County government, and other reference information for your usage in contacting your Board Members or individual County departments. My goal in producing this report is to communicate the County's financial operations in a straightforward and easy-to-read format so that you may obtain a better understanding of McLean County government.

The information in this report is derived from McLean County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015, which was audited by Baker Tilly and received an unmodified (clean) opinion. The CAFR is a highly detailed financial report that is prepared in conformity with Generally Accepted Accounting Principles (GAAP). McLean County has received GFOA's Certificate of Achievement in Financial Reporting for the CAFR for 30 consecutive years. The financial schedules presented in the PAFR have been summarized and combined from assorted financial statements in the CAFR. The PAFR omits the financial statements on discretely presented component units and fiduciary funds, which are included in the CAFR. Anyone who is interested in reading the December 31, 2015 CAFR can find the report under the [Financial Reports](#) link on the County Auditor's website at www.mcleancountyil.gov/auditor. Copies of prior year CAFRs, PAFR, and Quarterly Financial Reports are also available through the link.

REPORT SUMMARY

This report is for your use in understanding the operations of McLean County government and is not intended to replace the CAFR. It is simply a means of increasing public confidence in the County government. It is an honor to serve as your Auditor and I encourage questions, concerns, or feedback as to the contents of this report or the operations of my office. Feel free to contact me at my office—309.888.5150, by e-mail michelle.anderson@mcleancountyil.gov, or by stopping in at my office in the Government Center—Room 402.

Respectfully submitted,

Michelle L. Anderson

McLean County Auditor

June 30, 2016

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to McLean County, Illinois for its Popular Annual Financial Report for the fiscal year ended December 31, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. McLean County, Illinois has received a Popular Award for the last four consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of McLean
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

A handwritten signature in black ink, reading "Jeffrey R. Enen".

Executive Director/CEO

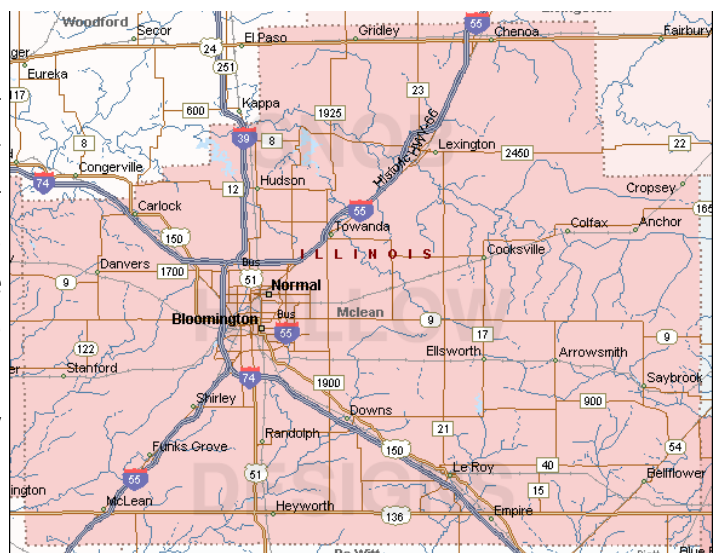
Profile of McLean County, Illinois

McLean County is located in central Illinois, situated very near the geographical center of the State of Illinois. In area, McLean County is the largest County in the State, comprising just over 1,100 square miles, making it similar in size to the State of Rhode Island in total land. McLean County recorded a population of 169,832 in the 2010 Census, making it one of the largest 15 counties in Illinois (out of 102). McLean County's highest concentration of population are the twin cities of Bloomington-Normal, with Bloomington serving as the County seat. McLean County was established on December 25, 1830, and was named in honor of John McLean, a twice elected United States Senator from Illinois. Before being established, it was part of Tazewell County.

The County operates under the County Board form of government according to the mandates of the State of Illinois, in addition to the eight independently elected County officials. The Board is comprised of a 20-member board, two representatives being elected from each of ten districts, and serving four-year terms. The Board is both the legislative policy maker and the supervisor of County Administration. The County Administrator is the chief administrative officer and prepares and recommends the annual budget, implements policies and procedures, manages daily operations, and oversees appointed departmental directors. The eight independently elected County officials are the Auditor, Clerk of the Circuit Court, Coroner, County Clerk/Recorder, Sheriff, State's Attorney, Regional Superintendent of Education, and Treasurer. The Regional Superintendent of Education is a component unit of the State of Illinois, as such, their financial information is not presented in this report. Elected officials serve four year terms.

The County provides a full range of services. This includes administration of justice and public safety, including the operation of a 225 bed adult detention facility and 26 bed juvenile detention facility, construction and maintenance of 368 miles of County roads and 87 bridges, administration of public health services and programs, operation of a 150 bed Nursing Home, operation of a 2,200 acre recreation area, collection of taxes for over 200 taxing districts, administration of elections, and general administrative services. For additional information about County departments and the vital services that the County provides for its citizens and businesses, visit the County's website at <http://www.mcleancountyil.gov>. McLean County operates with over 825 full-time equivalent employees, with roughly half of those being employed within a public safety function. McLean County's assessed value of taxable property was \$4,123,724,828 for 2015.

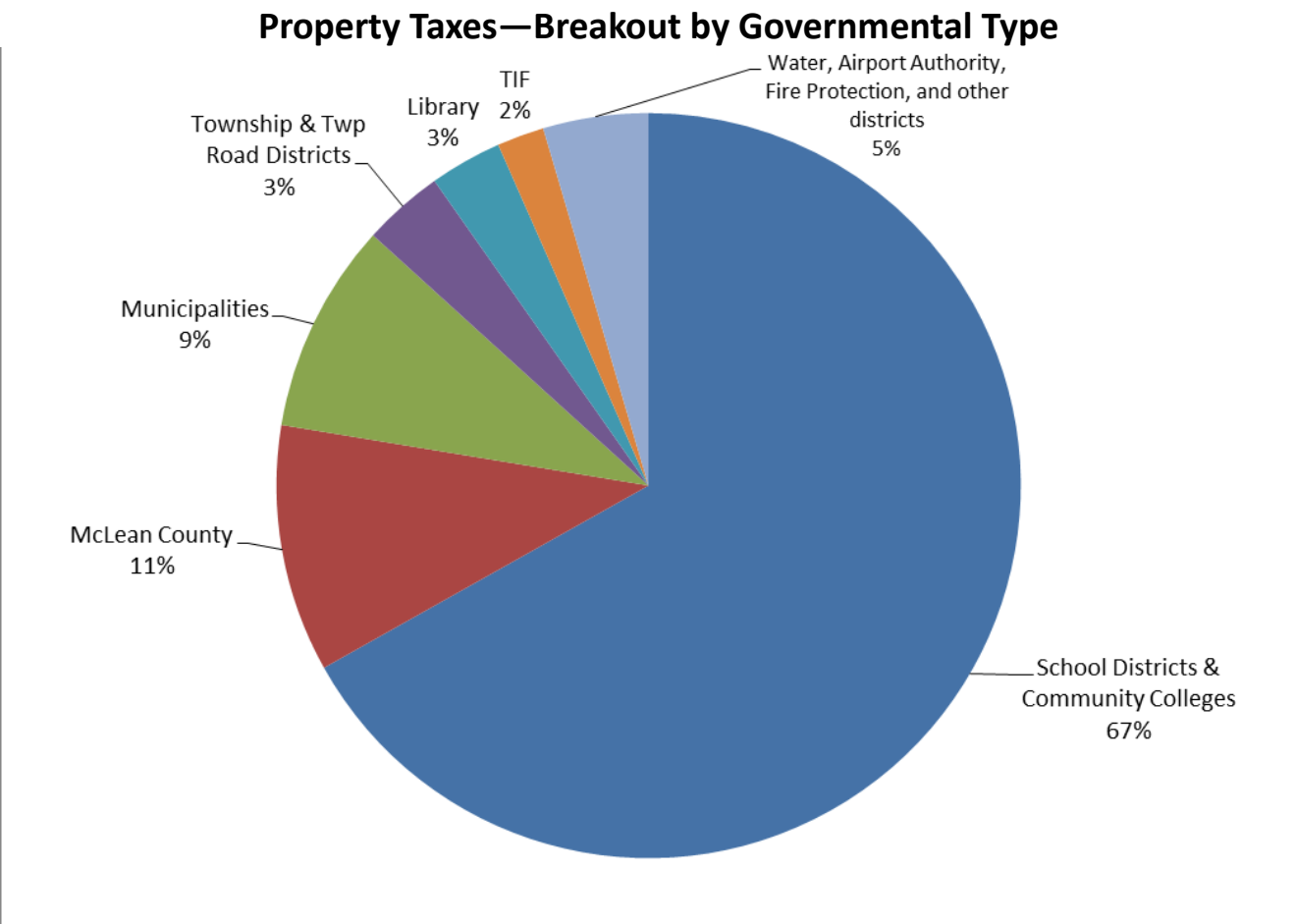
Major accomplishments for McLean County in 2015 can be found on page 12.



Property Taxes—Where do your property taxes go?

Where do your property taxes go? While the County issues property tax bills each year and is responsible for collecting the payments, only a small portion is retained by the County. The vast majority of property taxes are remitted to other governmental agencies within McLean County. There are over 200 taxing districts located, at least partially, within McLean County. Depending on the location of a real estate parcel, property taxes for that parcel will be collected for a combination of separate taxing districts.

The following is a chart that presents the breakout by governmental type for a typical tax bill. The chart is for illustrative purposes only, based on an average of all tax bills in McLean County. As noted above, each real estate parcel pays property taxes to a varying combination of taxing districts, based on location, and the actual breakout will vary.



As shown in the chart above, the largest component of a typical tax bill goes to school districts and community colleges.

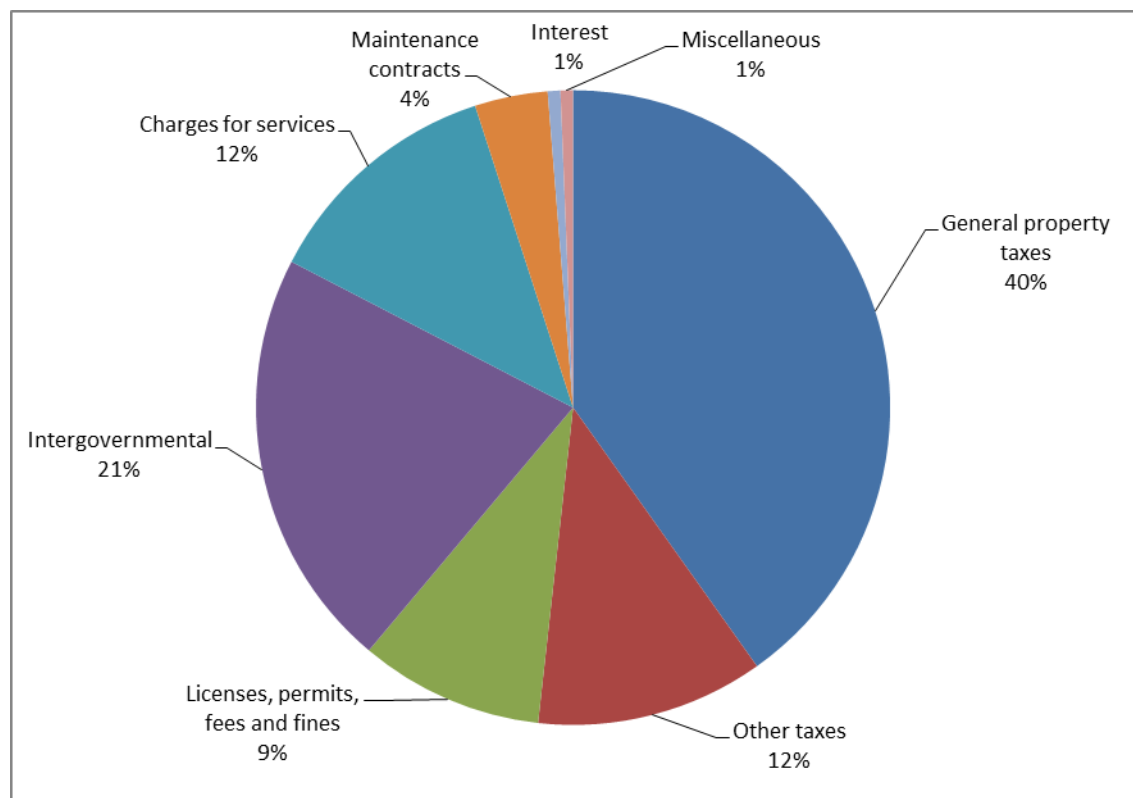
This PAFR presents an overview of McLean County’s finances only. The other governmental districts shown above are separate legal entities and operate independent of McLean County. Therefore, in order to determine how your property taxes are spent by each district that you pay taxes to, you would need to separately review financial reports for each district.

Revenues—Where does the Money Come From?

McLean County receives its funding from a variety of sources, with property taxes being the largest source of that funding. The following table and chart shows the revenue to governmental funds by source for fiscal year ended December 31, 2015.

McLean County		Governmental Funds - Revenues				
Revenue Source	General Fund	Other Governmental Funds	Total	% of Total	2014 Total	2014 % of Total
General property taxes	\$ 11,637,513	\$ 21,619,273	\$ 33,256,786	40.15%	\$ 32,794,518	38.80%
Other taxes	9,517,818	100,000	9,617,818	11.61%	9,475,648	11.21%
Licenses, permits, fees and fin	4,998,525	2,761,680	7,760,205	9.37%	7,223,902	8.55%
Intergovernmental	4,182,854	13,596,344	17,779,198	21.47%	19,976,866	23.64%
Charges for services	9,017,772	1,251,864	10,269,636	12.40%	11,185,045	13.23%
Maintenance contracts	3,083,728	-	3,083,728	3.72%	2,747,754	3.25%
Interest	530,957	1,376	532,333	0.64%	528,488	0.63%
Miscellaneous	424,327	101,723	526,050	0.64%	582,550	0.69%
	\$ 43,393,494	\$ 39,432,260	\$ 82,825,754	100.00%	\$ 84,514,771	100.00%

2015
Revenue
Percentages

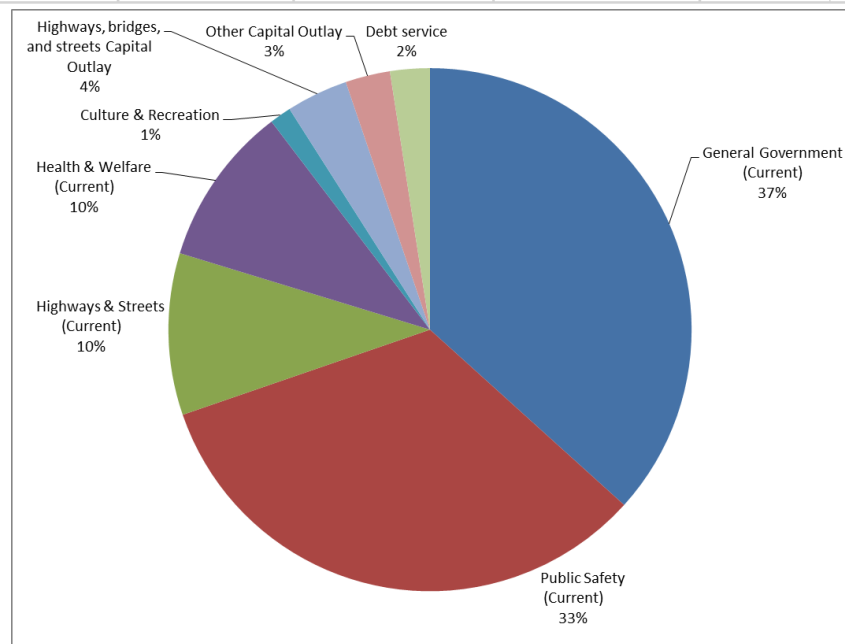


General property taxes represent a tax on all real estate within McLean County. Property taxes are considered to be a general revenue source, meaning it is available to fund all programs of the County. **Other taxes** includes the County's portion of State Income Tax, Personal Property Replacement Tax, and Retailers Occupation Tax. **Licenses, permits, fees and fines** represent amounts received by the County for licenses/permits, as well as fines and fees due from citizens. **Intergovernmental** includes grants and other revenues received from the State of Illinois, and various other governmental agencies; as well as the County's portion of motor fuel tax. **Charges for services** represents fees paid by individuals, businesses, or other governments who use, purchase, or directly benefit from goods or services provided by the County. **Maintenance contracts** represent reimbursements on a lease with the Public Building Commission. **Interest** represents interest earned on the County's cash and investments. **Miscellaneous** represents revenues received by the County that do not fall into one of the designated categories above.

Expenditures—Where does the money go?

For fiscal year ended December 31, 2015, McLean County's largest expenditures came out of the General Government function (36.69%) and the Public Safety function (33.03%). Expenditures by function have not

Governmental Funds - Expenditures by function						
Expenditures	General Fund	Other Governmental Funds	Total	% of Total	2014 Total	2014 % of Total
Current:						
General Government	\$ 18,917,979	\$ 10,436,753	\$ 29,354,732	36.69%	\$ 28,643,491	34.37%
Public Safety	21,392,478	5,032,742	26,425,220	33.03%	26,534,175	31.84%
Highways & Streets	-	7,999,029	7,999,029	10.00%	11,106,896	13.33%
Health & Welfare	-	7,932,616	7,932,616	9.92%	8,123,270	9.75%
Culture & Recreation	472,052	597,590	1,069,642	1.34%	1,049,496	1.26%
Capital outlay - Highways, bridges, and streets	-	3,045,588	3,045,588	3.81%	4,673,880	5.61%
Capital Outlay Other	849,410	1,360,151	2,209,561	2.76%	919,029	1.10%
Debt service	165,400	1,799,176	1,964,576	2.46%	2,279,110	2.74%
	\$ 41,797,319	\$ 38,203,645	\$ 80,000,964	100.00%	\$ 83,329,347	100.00%

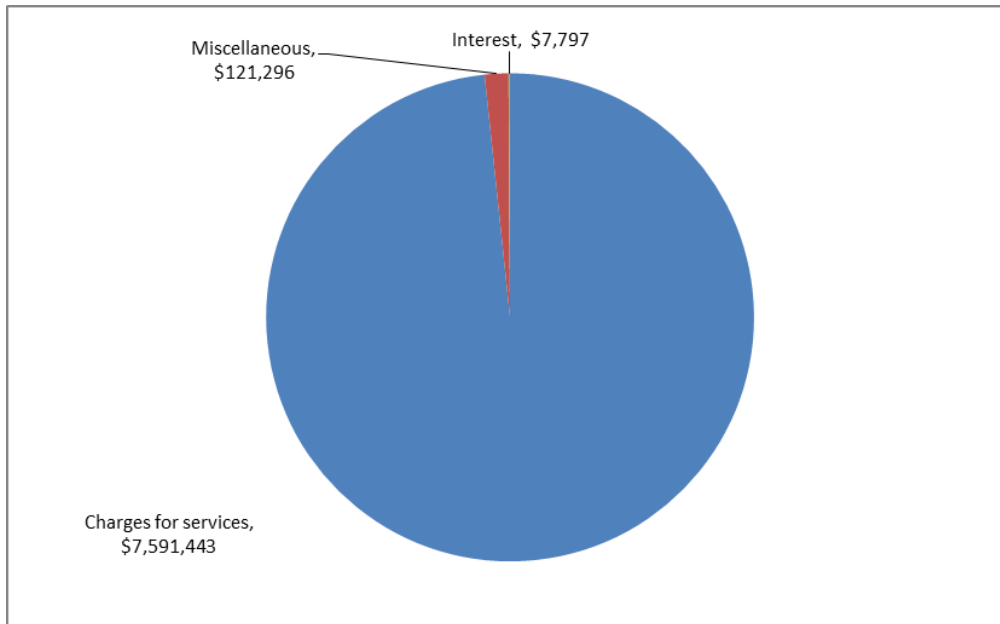


Expenditures for McLean County include the following expenditure functions: **General Government** expenditures incurred for administrative offices such as County Board, Administration, Auditor, County Clerk, Treasurer, Information Technology, Facilities Management, Employee Benefits (including social security and IMRF), and Tort Judgment. **Public Safety** expenditures incurred for public safety offices such as Sheriff, State's Attorney, Coroner, Circuit Clerk, Court Services, and Metcom. **Highway and streets** expenditures incurred for our Highway Departments non-capital expenditures. **Health and welfare** expenditures incurred for our various Health Department programs/funds. **Culture and recreation** expenditures incurred for operation of the County Park (COMLARA), as well as property tax payments to History Museum and Co-operative Extension. **Capital Outlay—Highways, bridges, and streets** expenditures incurred for the acquisition of right-of-way, engineering, and construction of infrastructure maintained by the Highway Department. **Capital Outlay—Other** expenditures incurred for capital outlay other than for highway infrastructure. **Debt service** expenditures incurred for capital leases entered into by the County for copiers, other projects, and debt on County buildings held by the Public Building Commission of McLean County.

Enterprise Fund

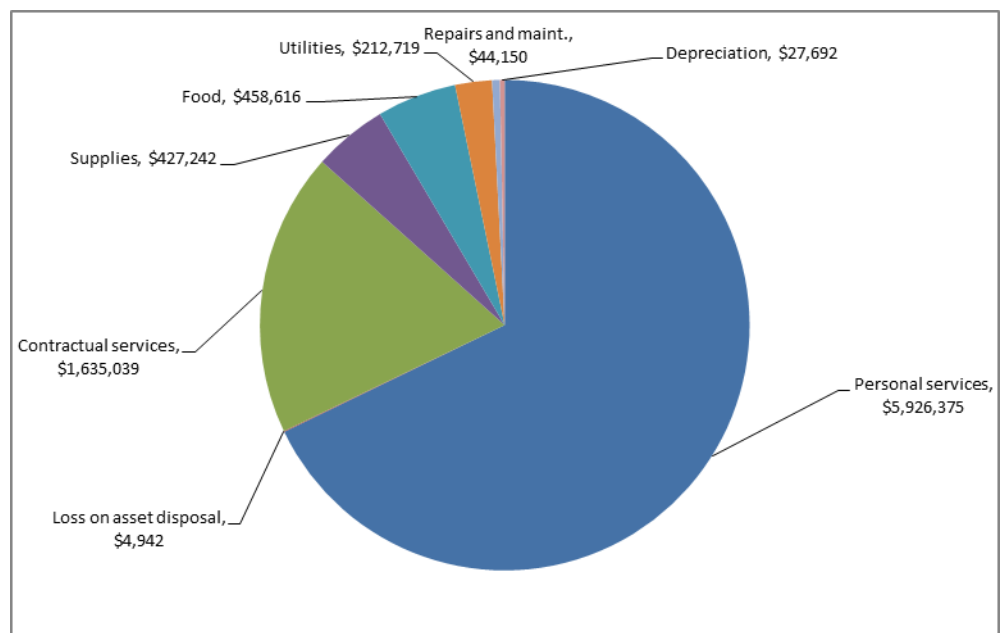
McLean County maintains one enterprise fund, for the McLean County Nursing Home. An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business.

Revenue Source



An overwhelming majority of revenues come from charges for services (over 98%). Revenues are comprised of the following sources: **Charges for Services** include payments from private pay residents, as well as public aid payments. **Interest** includes amounts earned on cash and investments. **Capital grants and contributions** includes an energy efficiency grant and contributions. **Miscellaneous** includes

A majority of the expenses come from personal services (67%). Expenses are comprised of the following lines: **Personal services** include payroll and payroll related benefits. **Contractual services** includes amounts paid on contractual agreements entered into by the Nursing Home. **Supplies** includes supplies needed to operate the facility. **Food** includes food for meals of residents. **Utilities** includes utilities (water, electricity, etc) needed to operate the facility. **Repairs and maintenance** includes repairs and general maintenance done on the facility. **Depreciation** represents the amount of depreciation on capital assets. **Loss on asset disposal** represents the loss taken when the Nursing Home disposed of assets.



Statement of Net Position

McLean County's Net Position as of December 31, 2015				
		Governmental	Enterprise	Total Primary
		Activities	Fund	Government
Current and other assets		\$ 75,656,358	\$ 9,703,859	\$ 85,360,217
Capital assets		120,583,126	161,171	120,744,297
Total assets		196,239,484	9,865,030	206,104,514
Deferred Outflow of Resources				
Deferred Outflow/Pension		9,378,884	1,138,189	10,517,073
Current and other liabilities		5,564,846	324,532	5,889,378
Long-term liabilities		18,220,110	1,401,600	19,621,710
Total liabilities		23,784,956	1,726,132	25,511,088
Deferred Inflows of Resources				
Unavailable revenue - property tax		34,066,205	-	34,066,205
Deferred Inflow/Pension		499,633	73,144	572,777
Total Deferred Inflows		34,565,838	73,144	34,638,982
Net position:				
Net investment in capital assets		118,596,377	161,171	118,757,548
Restricted for:				
Operations		1,587,302	-	1,587,302
Health and wellness		4,843,475	-	4,843,475
Highway		10,234,427	-	10,234,427
Employee benefits		840,849	-	840,849
Public safety		1,937,868	-	1,937,868
Debt service		167,484	-	167,484
Culture and recreation		20,103	-	20,103
Capital improvements		486	-	486
Unrestricted		9,039,203	9,042,772	18,081,975
Total net position		\$ 147,267,574	\$ 9,203,943	\$ 156,471,517

Current and other assets—Assets that a company can reasonably expect to convert to cash, sell, or consume within one year.

Capital assets—The County's long-term investments in infrastructure (buildings, highways, bridges) and other capital assets. These assets are used by McLean County to provide services to citizens, thus these assets are not available for future spending.

Deferred outflows of resources—This represents additional assets as of the measurement date (for example contributions made to the plan between the measurement date and fiscal year end).

Current and other liabilities—This includes debt that can be paid off in one year or less. This debt includes accounts payable, accrued interest, claims payable, and unearned revenue.

Long-term liabilities—This debt includes capital leases (for debt to the Public Building Commission) and long term por-

tions of post employment benefits.

Deferred inflows of resources—This represents the receivable reported for the property taxes levied for 2015, but, not collectable until 2016. It also represents additional liabilities as of the measurement date (for example: investment gains that have not yet been recognized in the annual expense).

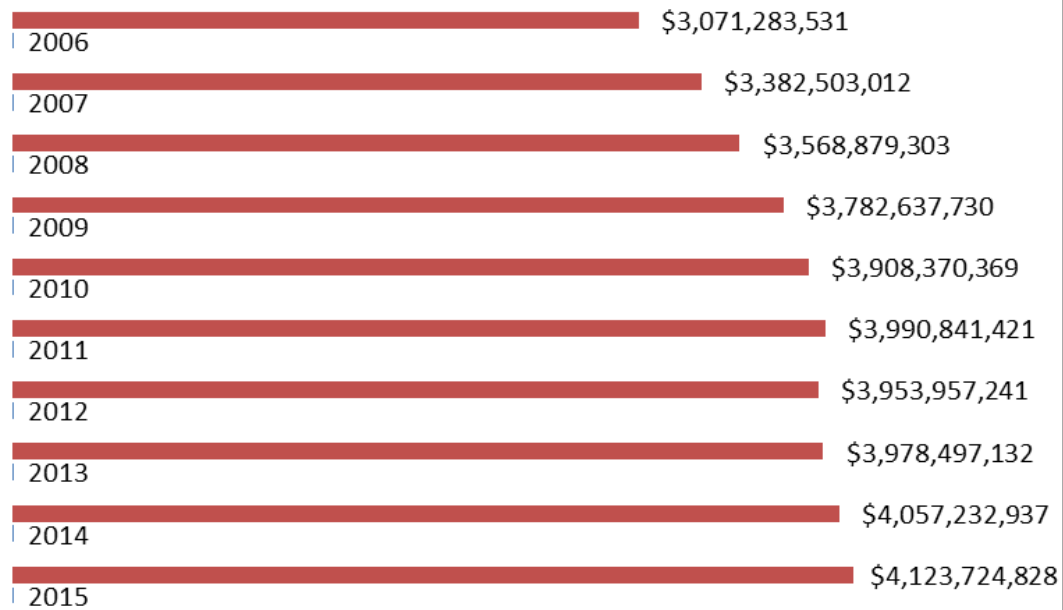
Net investment in capital assets—This represents the County's investments in capital assets less any related outstanding debt used to acquire those assets. One should bear in mind that other sources are needed to repay the debt, since the capital assets themselves cannot be used to settle these liabilities.

Restricted—This represents resources that are subject to external restrictions, for the reason listed above.

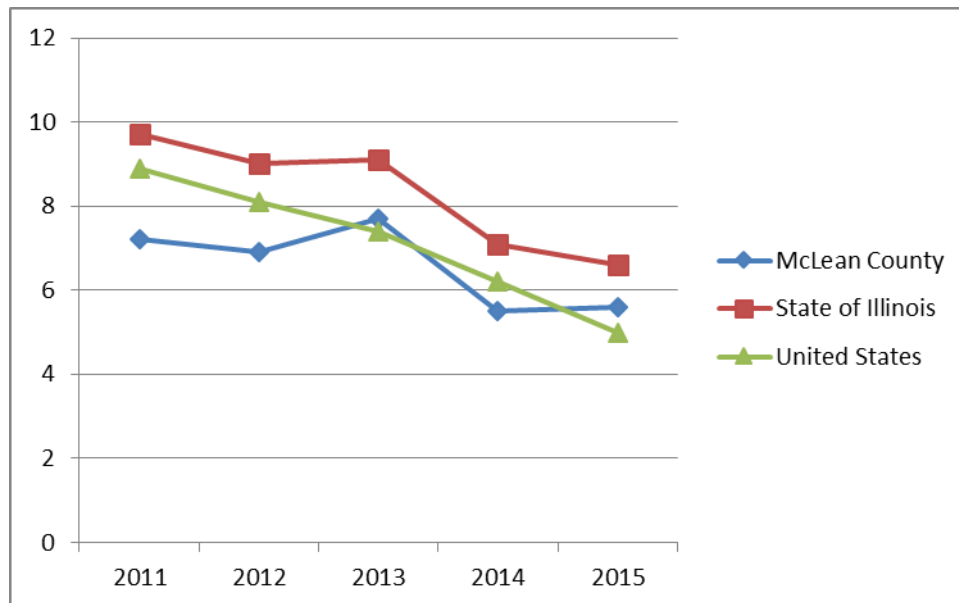
Unrestricted—This represents the accessible resources to the County in order to provide services to the citizens of McLean County if no additional revenue or resources were available.

Economic Outlook

Assessed Value—Taxable Property



After suffering its first decline since 1985 back in 2012, assessed value of taxable property within McLean County increased yet again in 2015. Property is assessed by the McLean County Supervisor of Assessments at 33 1/3% of fair market value. With the slight increase, the assessed valuation for the County has increased approximately 3.4% per year, over the last ten years. Over the last year, the County's assessed value increased by 1.64% to \$4,123,724,828.



Strong economic growth has historically created a low unemployment rate for McLean County. Even during tough economic times, comparisons to state and national unemployment rates support the claims that McLean County is a financially strong, vibrant community to live in.

Economic Outlook (continued)



McLean County is home to two major universities, Illinois State University and Illinois Wesleyan University. Graduates of ISU and IWU often stay in the area due to a favorable economic outlook and jobs in the area. Insurance is a key employer field in McLean County, as it is home to both State Farm Insurance and Country Financial.



Principal Employers in McLean County

<u>Employer</u>	2015		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of the Total County Employment</u>
State Farm Insurance Companies	14,109	1	16.72%
Illinois State University	3,639	2	4.31%
Country Insurance & Financial Services	1,905	3	2.26%
Unit 5 School District	1,549	4	1.84%
Advocate BroMenn Healthcare	1,372	5	1.63%
OSF St. Joseph Medical Center	1,225	6	1.45%
McLean County	806	7	0.96%
Afni, Inc.	765	8	0.91%
District 87 Schools	664	9	0.79%
Heritage Enterprises	550	10	0.65%
City of Bloomington	542	11	0.64%
Growmark, Inc.	462	12	0.55%
Illinois Wesleyan University	450	13	0.53%
Bridgestone/Firestone Off-Road Tire Co.	438	14	0.52%
Town of Normal	368	15	0.44%
Total:	28,844		34.19%



McLean County has an Aa1 rating with Moody's rating agency. By having a strong rating, the County is able to issue debt at lower interest rates.

Major Accomplishments for McLean County—2015

McLean County Auditor Michelle L. Anderson and McLean County Treasurer Becky McNeil were awarded the prestigious Government Finance Officers Association Certificate of Achievement for their Comprehensive Annual Financial Report. The award, for fiscal year ended December 31, 2014 marks the 30th consecutive year McLean County has received this recognition.



The SAMHSA Grant for McLean County has allowed the County to make great strides toward integrating both our system locally and our problem solving courts. SAMHSA grant has one independent clinician, a grant manager and a Court Services deputy director that works with both problem solving courts (Drug Court & Recovery Court), this has improved the continuity between courts. The chart below shows program outcomes.

Outcome	Drug Court (n=72)	Recovery Court (n=35)	Total Program (n=107)
<i>Outcome as Percentage</i>			
Successful Completion	37.5%	54%	43%
Unsuccessful (Technical Violation)	37.5%	20%	32%
Unsuccessful (New Offense)	22%	20%	21%
Unsuccessful (Other)	0%	6%	2%
Death	3%	0%	2%

During 2015, McLean County was reviewed and maintained their Aa1 rating with Moody's rating agency.



McLean County Elected Officials

County Wide Elected Officials

<u>Office/Name</u>	<u>Term Expires</u>	<u>Office/Name</u>	<u>Term Expires</u>
Auditor		Sheriff	
Michelle L. Anderson	December 2016	Jon P. Sandage	December 2018
Circuit Clerk		State's Attorney	
Don Everhart	December 2016	Jason Chambers	December 2016
Coroner		Reg. Supt. Of Education	
Kathy Davis	December 2016	Mark Jontry	December 2018
County Clerk/Recorder		Treasurer	
Kathy Michael	December 2018	Rebecca C. McNeil	December 2018

County Board Members

<u>District/Name</u>	<u>Term Expires</u>	<u>District/Name</u>	<u>Term Expires</u>
District 1		District 6	
Don Cavallini	December 2018	George Gordon	December 2016
Catherine Metsker	December 2016	Laurie Wollrab	December 2018
District 2		District 7	
Jim Soeldner	December 2018	Richard Buchanan	December 2018
Scott Murphy	December 2016	Victoria F. Harris	December 2016
District 3		District 8	
Randall Martin	December 2018	Paul R. Segobiano	December 2018
George O. Wendt	December 2016	Carlo Robustelli	December 2016
District 4		District 9	
William T. Caisley	December 2016	Erik Rankin	December 2018
Mark W. Johnson	December 2018	Susan Schafer	December 2016
District 5		District 10	
John McIntyre	December 2016	Benjamin Owens	December 2016
David Selzer	December 2018	Chuck Erickson	December 2018

Reference Information:

Website:

<http://www.mcleancountyil.gov>

Phone Directory for County Offices:

Administration/Board	309-888-5110
Auditor	309-888-5150
Building & Zoning	309-888-5160
Child Advocacy Center	309-888-5656
Circuit Clerk	309-888-5301
Circuit Court (Judicial)	309-434-6650
Coroner	309-888-5210
County Clerk/Recorder	309-888-5190
Court Services (Probation)	309-888-5360
Emergency Management Agency	309-888-5020
Facilities Management	309-888-5192
Health Department	309-888-5450
Highway Department	309-663-9445
Information Technologies	309-888-5100
Jury Commission	309-888-5241
Nursing Home	309-888-5380
Parks & Recreation	309-434-6770
Public Defender	309-888-5235
Sheriff (including Detention Facility)	309-888-5034
State's Attorney	309-888-5400
Supervisor of Assessments	309-888-5130
Treasurer	309-888-5180
Veterans Assistance	309-888-5140